

INVITATION FOR BID (IFB)

Bid Event Number: EVT0001704
Document Number: IFB0000319
Replaces Contract: 12573
Date Mailed: September 11, 2012
Closing Date: October 23, 2012, 2:00 PM
Procurement Officer: Tami Sherley
Telephone: 785-296-3122
E-Mail Address: tami.sherley@da.ks.gov
Web Address: <http://da.ks.gov/purch>
Item: Insurance, Property
Agency: Department of Labor and Department of Commerce
Location(s): Various
Period of Contract: 12:01 a.m., December 1, 2012 to 12:01 a.m., December 1, 2015

READ THIS REQUEST CAREFULLY

Failure to abide by all of the conditions of this Request may result in the rejection of a bid. Inquiries about this Request should indicate the contract number and be directed to the procurement officer. Return in a sealed envelope or other container only the signature page and bid forms not later than the closing date indicated above. Retain the remaining documents for reference.

Event Number EVT0001704 was recently posted to the Procurement and Contracts Internet website.
The document can be downloaded by going to the following website:

<http://www.da.ks.gov/purch/RFQ/>

It shall be the vendor's responsibility to monitor this website on a regular basis for any changes/addenda.

SECTION A

INVITATION FOR BIDS

1. Notice is hereby given that sealed proposals will be received for Property Insurance for the State of Kansas, Department of Labor and Department of Commerce. Bids will be accepted until 2:00 p.m., **October 23, 2012**, at the office of the Director of Procurement and Contracts, Procurement and Contracts, Department of Administration, Landon State Office Building, 900 S.W. Jackson Street, Room 652S, Topeka, Kansas 66612-1286. At said time, bids will be publicly opened and read aloud. Bids received after said time and date will be retained in the file unopened and not receive consideration.
2. Bids shall be submitted on forms furnished herewith. Additional bid forms and specifications may be obtained by addressing the Director of Procurement and Contracts, as above.
3. Questions requesting clarification of the Bid must be electronically submitted to the Procurement Officer (E-mail: tami.sherley@da.ks.gov) by noon on September 25, 2012. Responses to any questions will be issued via Addendum and posted at the following website: <http://da.ks.gov/purch/Contracts/bids.aspx>.
4. Wherever and whenever the word "State" is used, it shall mean the Committee on Surety Bonds and Insurance under whose authority this insurance will be purchased.
5. Bid results will not be given to individuals over the phone. Results can be obtained by attending the public bid opening. If unable to attend the public bid opening, bid tabulations can be obtained in person for \$3.00. Bid results can also be obtained by sending (do not include with bid), a check for \$3.00 payable to the State of Kansas, with a self-addressed, stamped envelope to the Kansas Procurement and Contracts, Attn. Bid Results/Copies, 900 SW Jackson, Room 652S-N., Topeka, KS 66612. Please reference quote number on check. Copies of individual bids may be obtained under the Kansas Open Records Act by sending an e-mail to janet.miller@da.ks.gov or calling 785-296-0002, requesting an estimate of the cost to reproduce the documents and remitting that amount to the above address. Upon receipt of the funds, the documents will be sent.
6. Faxed and electronic bid responses are not acceptable.
7. **CRIMINAL OR CIVIL OFFENSE OF AN INDIVIDUAL OR ENTITY THAT CONTROLS A COMPANY OR ORGANIZATION OR WILL PERFORM WORK UNDER THIS CONTRACT:** Any conviction for a criminal or civil offense that indicates a lack of business integrity or business honesty must be disclosed. This includes (1) conviction of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract or in the performance of such contract or subcontract; (2) conviction under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property; (3) conviction under state or federal antitrust statutes; and (4) any other offense to be serious and compelling as to affect responsibility as a state contractor. For the purpose of this section, an individual or entity shall be presumed to have control of a company or organization if the individual or entity directly or indirectly, or acting in concert with one or more individuals or entities, owns or controls 25 percent or more of its equity, or otherwise controls its management or policies. Failure to disclose an offense may result in disqualification of the bid or termination of the contract.
8. **Immigration and Reform Control Act of 1986 (IRCA):** All contractors are expected to comply with the Immigration and Reform Control Act of 1986 (IRCA), as may be amended from time to time. This Act, with certain limitations, requires the verification of the employment status of all individuals who were hired on or after November 6, 1986, by the contractor as well as any subcontractor or sub-contractors. The usual method of verification is through the Employment Verification (I-9) form.

With the submission of this bid, the contractor hereby certifies without exception that such contractor has complied with all federal and state laws relating to immigration and reform. Any misrepresentation in this regard or any employment of persons not authorized to work in the United States constitutes a material breach and, at the State's option, may subject the contract to termination and any applicable damages.

Unless provided otherwise herein, all contractors are expected to be able to produce to State any documentation or other such evidence to verify Contractor's compliance with any provision, duty, certification or like under the contract.

EQUAL OPPORTUNITY CLAUSE

Pursuant to K.S.A., Chapter 44, Article 10, this agreement entitled "Equal Opportunity Clause" is hereby incorporated in and made a part of any contract of insurance issued as a result of this bid proposal.

During the performance of this contract, the contractor agrees as follows:

- (a) The contractor shall observe the provision of the Kansas Act Against Discrimination and shall not discriminate against any person in the performance of work under the present contract because of race, religion, color, sex, national origin or ancestry:
- (b) In all solicitations or advertisements for employees, the contractor shall include the phrase "equal opportunity employer", or a similar phrase to be approved by the commission:
- (c) If the contractor fails to comply with the manner in which he reports to the commission in accordance with the provisions of section 15 (44-1031) of this Act, the contractor shall be deemed to have breached the present contract and it may be canceled, terminated or suspended, in whole or in part by the contracting agency:
- (d) If the contractor is found guilty of a violation of the Kansas Act Against Discrimination under a decision or order of the commission which has become final, the contractor shall be deemed to have breached the present contract and it may be canceled, terminated or suspended, in whole or in part, by the contracting agency;
- (e) The contractor shall include the provisions of subsections (a) through (d) inclusively of the present section in every subcontract or purchase order so that such provisions will be binding upon such subcontractor or vendor.

SECTION B
SPECIAL PROVISIONS

1. PROPOSALS:

Proposal forms submitted in response to this invitation for bids shall be delivered in a sealed envelope addressed to the Director of Procurement and Contracts, Procurement and Contracts, Department of Administration, Landon State Office Building, 900 S.W. Jackson Street, Room 652S, Topeka, Kansas 66612-1286, and shall bear the name of the individual, partnership or corporation submitting the bid and shall be labeled, "Proposal for Property Insurance."

Proposals shall be properly and completely executed on the proposal form furnished. (Section E, hereof).

Electronic modifications will be considered only if received prior to the closing time for receipt of proposals provided that written confirmation of the electronic modification, over the signature of the bidder, was mailed prior to the bid closing time. If written confirmation is not received within two (2) days after the closing time, no consideration will be given to the electronic modification.

2. AWARD OF CONTRACT:

Award will be made by the State to the lowest responsible bidder pursuant to the provisions of K.S.A. 75-3740 and 75-3740a.

3. REJECTION OF BIDS:

The State reserves the right to reject any and all bids. Bids may be rejected for failure of the bidder to comply with any of the requirements set forth in these specifications. The State may award on any of the requested options as may be deemed in its best interest. In the event all bids are rejected, the current insurer may be requested to extend coverage for a reasonable time necessary to permit coverage either to be re-bid or negotiated.

4. BINDING AUTHORITY:

The bidder shall have authority to bind coverage in accordance with his proposal.

SECTION C

SPECIFICATIONS

1. SCOPE AND PURPOSE:

These specifications are intended to cover the purchase of Property Insurance for Department of Labor and Department of Commerce, in accordance with the provisions of KSA 74-7403.

2. QUALIFICATIONS OF BIDDERS:

Each bidder, pursuant to K.S.A. Chapter 40, particularly K.S.A. 40-214 and pertinent Insurance Department Rules and Regulations, shall be a duly authorized representative of the insurance company for which the bid is submitted and such company must be properly licensed and admitted to transact the insurance business herein described in the State of Kansas.

Any agent participating in this bid shall be affiliated with a licensed agency appointed by that insurer in the State of Kansas. In the event the agent is individually licensed by an insurance company, the agent shall be appointed by that insurer in the State of Kansas. The required appointment shall occur no later than 30 days after the bid closing date or the policy period effective date, whichever come first.

3. COVERAGE:

The insurance policy shall afford Fire and Lightning, Extended Coverage, Vandalism and Malicious Mischief Coverage (Basic Form) on a blanket replacement cost basis at 90% of the values shown for buildings in Section D hereof.

NOTE: Alternate Bids are requested for Coverage on an "All Risk" (Special Form) basis at 90% of values shown in Section D.

4. CANCELLATION OF COVERAGE:

Pursuant to K.S.A. 75-4016, coverage purchased hereunder may not be cancelled by the insurance company or the Committee during the term of such contract unless a substitute contract upon the same terms and conditions covering the affected property is in force or the Committee determines the property affected no longer requires the coverage provided by the contract.

5. POLICY PROVISIONS:

Any insurance issued as a consequence of this invitation to bid shall be for a three-year (3) year period beginning 12:01 a.m., December 1, 2012, to 12:01 a.m., December 1, 2015. Each bidder shall agree to furnish, if such bid is accepted, a binder of such coverage on or before the aforementioned date. Premium shall be quoted on an annual payment basis.

Bidders may bid an annual policy, annual policy (not to exceed three years) subject to annual rerate or annual policy terms with guaranteed three year premiums/rates. The State prefers three (3) year policy terms and may give preference to this option.

If a multi-year policy is being bid, an exact definition of how second and/or third year premium charges would be calculated must be identified.

As noted in Section B, Item 3, the State reserves the right to reject all bids. If such action is taken in subsequent bid offerings and of so requested by the State, the successful bidder for this offering agrees to extend this coverage for a reasonable time necessary to permit coverage either be re-bid or negotiated. Additional premium shall be calculated pro-rata based on the rates/premium applicable to the current policy. An appropriate endorsement shall be issued at that time which provides for the coverage extension.

The Property Coverage is to be afforded the following forms:

- (1) Commercial Property Conditions – Form CP 00 90 07 88
- (2) Common Policy Conditions – Form IL 00 17 11 98
- (3) Building and Personal Property Coverage – Form CP 00 10 10 00
- (4) Causes of Loss – Basic Form CP 10 10 10 00
- (5) Causes of Loss – Special Form CP 10 30 10 00
- (6) Kansas Changes Endorsement – Form CP 01 01 11 98
- (7) Calculation of Premium – Form IL 00 03 07 02
- (8) Kansas Changes Concealment, Misrepresentation or Fraud – Form IL 01 60 07 02
- (9) Kansas Changes – Cancellation and Non-Renewal – Form IL 02 61 07 02

NOTE 1: Indicate on declarations that agreed value and replacement options apply.

NOTE 2: Any anniversary premiums shall be subject to the same discount, if any, applied to the first premium and such premium shall be subject to review by the State.

6. ALTERNATE DEDUCTIBLES:

The State requests alternate deductible bids utilizing forms and providing coverage as set forth for the base bid, **except** the deductible shall be \$1,000 per occurrence (see Section E, Bid Sheet, Alternate Bid 1).

For Base Bid (\$500 deductible) or Alternate Bid 1 (\$1,000 deductible), the Deductible Clause contained in the prescribed forms shall be deleted and replaced by the following endorsement:

ENDORSEMENT

Substitution for Section V – Deductible Clause.

The sum of \$_____ * shall be deducted from the amount of loss to property in any one occurrence resulting from any of the perils insured against. This deductible shall apply separately to each building (including personal property therein), separately to personal property in each building and separately to personal property in the open (including within vehicles). The aggregate amount of this deductible in any one occurrence shall not exceed \$_____. This deductible shall not apply to insurance covering Business Interruption, Extra Expense, Rent or Rental Value or Leasehold interest.

Note: The amount of \$500 or \$1,000 shall be inserted in each of the blank spaces shown above, if the Base Bid or Alternate Bid 1 is selected by the State. In the event one of the alternatives is selected, an aggregate deductible amount in any one occurrence shall correspond with and not exceed the base deductible amount of \$500 or \$1,000.

Note: In the event any other alternate deductible is selected, the deductible amounts shall apply according to the deductible clause endorsement.

7. FILINGS REQUIRED:

Since the terms and conditions of the requested policy as described above have been promulgated by the State Committee on Surety Bonds and Insurance, pursuant to law, as the provisions to be purchased, the policy furnished must contain such provisions. Any filings necessary to place this program in effect shall be furnished the Kansas Insurance Department in accordance with K.S.A. 40-216 and other

applicable statutes and regulations.

8. **ALTERNATE FORM BIDS:**

In the event the company wishing to bid this program cannot provide coverage as specified herein, it will be permissible to submit other alternate proposals for consideration if such alternates provide coverage equal to or greater than that provided by the ISO forms listed in paragraph 5. Bids utilizing deductibles other than those specified must be clearly identified.

Policy forms and endorsements intended to be utilized by the company by virtue of the alternate bid must be consistent with filings made by or on behalf of the company. Any filings necessary to place the alternate bid into effect must be made pursuant to KSA 40-216 and other applicable statutes and regulations.

The company issuing the insurance under an alternate proposal permitted under this paragraph shall endorse the policy substantially as follows:

"It is agreed that any claim for loss under this policy will be settled on terms not less favorable to the State of Kansas than those which would have applied had the coverage been provided by the forms prescribed in Paragraph 5, Section C of the bid specifications under which this policy was issued."

9. **CLAIM FACILITIES:**

The company issuing the insurance shall have and maintain adequate claim facilities. Personnel from the claim service must be available as required by the State.

10. **PREPARATION OF BIDS:**

Bids shall be made on the proposal forms supplied herewith.

11. **STATEMENT OF LOSSES:**

The successful bidder must furnish itemized loss figures to the Department of Labor, Department of Commerce and the Procurement and Contracts on an annual basis. Upon request of the State, such information shall be available electronically using Microsoft Excel or other approved spreadsheet application.

12. **EXPERIENCE:**

Loss runs are available by written request to tami.sherley@da.ks.gov .

13. The State reserves the right to request coverage for additional, appropriate property, if necessary, during the term of any policy issued as a result of this specification. Premium charge for such coverage shall be subject to the same discount, if any, applied to the first annual premium and such premium shall be subject to review by the State.

14. **UNDERWRITING INFORMATION:**

The current carrier is Hanover Insurance for the period 12/1/10 to 12/1/13. The expiring annual premium was \$16,426 (Labor - \$11,921.50; Commerce - \$4504.50), with a \$1,000 deductible. TRIA Coverage premium was \$162 (Labor - \$81; Commerce - \$81).

SECTION D

PROPERTY COVERED

**Department of Labor
And
Department of Commerce**

See Attachment A document for property data.

Department of Administration
Procurement and Contracts
Landon State Office Building
900 S.W. Jackson, Room 652S
Topeka, KS 66612

We submit a proposal to furnish Property Insurance during the contract period in accordance with specifications. **I hereby certify that (we) do not have any substantial conflict of interest sufficient to influence the bidding process on this bid. A conflict of substantial interest is one which a reasonable person would think would compromise the open competitive bid process.**

NAME OF INSURANCE COMPANY _____

NAIC Number _____

*NAME OF AUTHORIZED REPRESENTATIVE

(Individual - not agency) _____

NAME OF AGENCY _____

FEIN _____

ADDRESS _____

CITY _____ STATE _____ ZIP CODE _____

TELEPHONE _____ FAX _____

E-MAIL _____

*Such individual must be authorized by the Kansas Insurance Statutes and Regulations to represent the above named Insurance Company.

The undersigned submits the attached bid to furnish the requirements during the contract period in accordance with the specifications and attests this bidder is not in arrears in taxes due the State of Kansas. I hereby certify that I (we) do not have any substantial conflict of interest sufficient to influence the bidding process on this bid. A conflict of substantial interest is one which a reasonable person would think would compromise the open competitive bid process.

Signature _____ Date _____

Typed/Printed Name of Signature _____ Title _____

State of Kansas
 Department of Administration
 DA-146a (Rev. 10-11)

CONTRACTUAL PROVISIONS ATTACHMENT

Important: This form contains mandatory contract provisions and must be attached to or incorporated in all copies of any contractual agreement. If it is attached to the vendor/contractor's standard contract form, then that form must be altered to contain the following provision:

"The Provisions found in Contractual Provisions Attachment (Form DA-146a, Rev. 10-11), which is attached hereto, are hereby incorporated in this contract and made a part thereof."

The parties agree that the following provisions are hereby incorporated into the contract to which it is attached and made a part thereof, said contract being the _____ day of _____, 20_____.

1. **Terms Herein Controlling Provisions:** It is expressly agreed that the terms of each and every provision in this attachment shall prevail and control over the terms of any other conflicting provision in any other document relating to and a part of the contract in which this attachment is incorporated. Any terms that conflict or could be interpreted to conflict with this attachment are nullified.
2. **Kansas Law and Venue:** This contract shall be subject to, governed by, and construed according to the laws of the State of Kansas, and jurisdiction and venue of any suit in connection with this contract shall reside only in courts located in the State of Kansas.
3. **Termination Due To Lack Of Funding Appropriation:** If, in the judgment of the Director of Accounts and Reports, Department of Administration, sufficient funds are not appropriated to continue the function performed in this agreement and for the payment of the charges-hereunder, State may terminate this agreement at the end of its current fiscal year. State agrees to give written notice of termination to contractor at least 30 days prior to the end of its current fiscal year, and shall give such notice for a greater period prior to the end of such fiscal year as may be provided in this contract, except that such notice shall not be required prior to 90 days before the end of such fiscal year. Contractor shall have the right, at the end of such fiscal year, to take possession of any equipment provided State under the contract. State will pay to the contractor all regular contractual payments incurred through the end of such fiscal year, plus contractual charges incidental to the return of any such equipment. Upon termination of the agreement by State, title to any such equipment shall revert to contractor at the end of the State's current fiscal year. The termination of the contract pursuant to this paragraph shall not cause any penalty to be charged to the agency or the contractor.
4. **Disclaimer Of Liability:** No provision of this contract will be given effect that attempts to require the State of Kansas or its agencies to defend, hold harmless, or indemnify any contractor or third party for any acts or omissions. The liability of the State of Kansas is defined under the Kansas Tort Claims Act (K.S.A. 75-6101 et seq.).
5. **Anti-Discrimination Clause:** The contractor agrees: (a) to comply with the Kansas Act Against Discrimination (K.S.A. 44-1001 et seq.) and the Kansas Age Discrimination in Employment Act (K.S.A. 44-1111 et seq.) and the applicable provisions of the Americans With Disabilities Act (42 U.S.C. 12101 et seq.) (ADA) and to not discriminate against any person because of race, religion, color, sex, disability, national origin or ancestry, or age in the admission or access to, or treatment or employment in, its programs or activities; (b) to include in all solicitations or advertisements for employees, the phrase "equal opportunity employer"; (c) to comply with the reporting requirements set out at K.S.A. 44-1031 and K.S.A. 44-1116; (d) to include those provisions in every subcontract or purchase order so that they are binding upon such subcontractor or vendor; (e) that a failure to comply with the reporting requirements of (c) above or if the contractor is found guilty of any violation of such acts by the Kansas Human Rights Commission, such violation shall constitute a breach of contract and the contract may be cancelled, terminated or suspended, in whole or in part, by the contracting state agency or the Kansas Department of Administration; (f) if it is determined that the contractor has violated applicable provisions of ADA, such violation shall constitute a breach of contract and the contract may be cancelled, terminated or suspended, in whole or in part, by the contracting state agency or the Kansas Department of Administration.

Contractor agrees to comply with all applicable state and federal anti-discrimination laws.

The provisions of this paragraph number 5 (with the exception of those provisions relating to the ADA) are not applicable to a contractor who employs fewer than four employees during the term of such contract or whose contracts with the contracting State agency cumulatively total \$5,000 or less during the fiscal year of such agency.
6. **Acceptance Of Contract:** This contract shall not be considered accepted, approved or otherwise effective until the statutorily required approvals and certifications have been given.
7. **Arbitration, Damages, Warranties:** Notwithstanding any language to the contrary, no interpretation of this contract shall find that the State or its agencies have agreed to binding arbitration, or the payment of damages or penalties. Further, the State of Kansas and its agencies do not agree to pay attorney fees, costs, or late payment charges beyond those available under the Kansas Prompt Payment Act (K.S.A. 75-6403), and no provision will be given effect that attempts to exclude, modify, disclaim or otherwise attempt to limit any damages available to the State of Kansas or its agencies at law, including but not limited to the implied warranties of merchantability and fitness for a particular purpose.
8. **Representative's Authority To Contract:** By signing this contract, the representative of the contractor thereby represents that such person is duly authorized by the contractor to execute this contract on behalf of the contractor and that the contractor agrees to be bound by the provisions thereof.
9. **Responsibility For Taxes:** The State of Kansas and its agencies shall not be responsible for, nor indemnify a contractor for, any federal, state or local taxes which may be imposed or levied upon the subject matter of this contract.
10. **Insurance:** The State of Kansas and its agencies shall not be required to purchase any insurance against loss or damage to property or any other subject matter relating to this contract, nor shall this contract require them to establish a "self-insurance" fund to protect against any such loss or damage. Subject to the provisions of the Kansas Tort Claims Act (K.S.A. 75-6101 et seq.), the contractor shall bear the risk of any loss or damage to any property in which the contractor holds title.
11. **Information:** No provision of this contract shall be construed as limiting the Legislative Division of Post Audit from having access to information pursuant to K.S.A. 46-1101 et seq.
12. **The Eleventh Amendment:** "The Eleventh Amendment is an inherent and incumbent protection with the State of Kansas and need not be reserved, but prudence requires the State to reiterate that nothing related to this contract shall be deemed a waiver of the Eleventh Amendment."

13. **Campaign Contributions / Lobbying:** Funds provided through a grant award or contract shall not be given or received in exchange for the making of a campaign contribution. No part of the funds provided through this contract shall be used to influence or attempt to influence an officer or employee of any State of Kansas agency or a member of the Legislature regarding any pending legislation or the awarding, extension, continuation, renewal, amendment or modification of any government contract, grant, loan, or cooperative agreement.